

Exhibit 03

**SOLE RETRIEVER**

Is Sneaker Reselling Still Profitable?

By Sole Retriever Team

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Table of contents



The world of sneaker reselling offers a tempting prospect for enthusiasts and entrepreneurs alike, presenting a dynamic landscape rife with potential for maximizing profits and securing exclusive releases. Understanding the strategies and nuances of sneaker reselling within this ever-evolving market can unlock exciting opportunities and lucrative returns on investment. Let's dive into the complexities and methods of the sneaker resell market, offering a comprehensive overview for enthusiasts and entrepreneurs.

The Early Days of Sneaker Reselling

The sneaker reselling phenomenon initially grew out of a passionate subculture. In its early days, the market was largely informal, with transactions occurring among collectors and enthusiasts at local events, through word-of-mouth, or on developing online forums. The rarity of specific models, often released in limited quantities or as regional exclusives, drove the initial resell value. It was a niche market with high demand for a relatively small supply of unique and hard-to-find sneakers.

The Rise of Online Marketplaces

The advent of the internet and online commerce platforms marked a significant turning point in sneaker reselling. Websites like [eBay](#) and [Grailed](#) made it easier for sellers to reach a broader audience, expanding the market beyond local communities. This increased visibility boosted demand and encouraged more people to enter the resell market as sellers.

Following eBay, dedicated sneaker reselling platforms like [StockX](#), GOAT, and others emerged, specializing in authenticated, high-demand sneakers. These platforms streamlined the process, offering a more reliable and accessible marketplace for both buyers and sellers. They also provided data on market prices, which helped in strategically pricing sneakers.

Impact of Increased Supply and Accessibility

With the rise of these dedicated platforms and high demand, the sneaker reselling market became more saturated. Quick cash sellers entered the fray, responding to the immediate profitability and accessibility of the market. The increase in sellers led to a higher supply of resold sneakers in the market. In economics, when the supply of a product increases while demand remains static or grows at a slower rate, there's a natural tendency for prices to decrease. This principle began to apply to the sneaker resell market.

Reduced Profitability in a Saturated Market

The saturation of the market has had a notable impact on profitability. While rare and highly coveted sneakers still command high resell prices, the average profitability per pair of sneakers has generally decreased. This is because many sneakers are now more accessible on the secondary market, giving buyers more options and reducing the urgency to pay inflated prices.

Moreover, with more information readily available about release dates, resale values, and market trends, buyers have become more savvy. They're often less willing to pay exorbitant prices, except for the most exclusive releases.

What Drives Profitability

The sneaker resell market today is largely driven by a few key trends, each playing a crucial role in shaping the landscape and creating opportunities for profit.

Rise of Social Media and Influencer Marketing

Social media platforms have become pivotal in generating hype around sneaker releases. Influencers and celebrities showcasing a particular model can significantly increase demand. Brands often collaborate with these influencers for exclusive releases, creating a frenzy among followers. For resellers, keeping an eye on these social media trends and influencer activities can provide early indicators of what sneakers might become highly sought-after.

The Drop: Growing Demand for Hyper Limited-Edition Releases

Limited-edition sneakers, often released in collaboration with celebrities or through special events, have become particularly lucrative. The scarcity of these sneakers drives up their resell value. Staying informed about these releases, often heavily promoted on social media and through brand marketing campaigns, is crucial for resellers. There are often complicated releases for these shoes involving custom websites and scavenger-hunt like challenges.

Brand Reputation

The reputation and hype surrounding certain brands can significantly impact resell value. Brands like Nike, especially their Air Jordan line, or adidas with its Yeezy collection, typically have a higher resell value due to their strong brand presence and historical significance in sneaker culture. Brand awareness is a key component to even having the possibility of demand – if you don't know the brand it doesn't matter how limited the shoe is. Not many people these days are looking for a 1 of 1000 Li-Ning sneaker (although that may change in the near future).

Case Study: The Nike Dunk Low "Panda" Phenomenon

The Panda Nike Dunk Low provides a fascinating case study in the sneaker resell market. Launched in 2021, the sneaker quickly gained iconic status, becoming a staple amongst fashion and sneakerhead influencers. Its initial release was characterized by limited availability, primarily through [Nike's SNKRS app](#), which is known for its exclusive drops. This limited availability, combined with high demand driven through influencer marketing, set the stage for a classic supply-and-demand scenario that significantly impacted its resell value.

The strategy employed by Nike for the Panda Dunk Low was intriguing. Following the limited initial release and aggressive influencer marketing cycle, Nike began a [series of regular restocks](#) on its website. This move was somewhat unorthodox in the sneaker world, where exclusivity often drives demand. However, the Panda Dunk Low's design - a versatile black and white colorway that appealed to a broad audience - along with the initial hype generated by influencers, created a sustained demand.

What makes the Panda Dunk Low case particularly interesting is the way Nike managed this demand. By controlling the release schedule and the quantities released each time, they kept the market on its toes. Each restock replenished the market but not to the extent that it completely satisfied the demand. This strategy maintained a certain level of exclusivity and desirability for the sneaker, ensuring that it remained a hot commodity in the resell market.

From a reseller's perspective, the Panda Dunk Low represented a unique opportunity. Unlike other limited-edition releases that offer a single chance to buy and resell, the periodic restocking of the Panda allowed resellers multiple opportunities to acquire and sell the sneaker. The regular restocks also meant that the resell prices, while still profitable, were more stable compared to other sneakers that might see huge fluctuations in resell value due to their rarity.

Future Outlook on Sneaker Reselling

The dynamics of sneaker reselling have undergone significant shifts over the years, with the advent of digital platforms and changing consumer behavior. Looking ahead, three critical trends have emerged: a return to local and online community

sales, establishing repeat customers and building lasting relationships, and embracing volume selling.

Local Sneaker Sales

To increase profit margins, resellers have turned to selling locally. The initial gold rush of low fees and high demand created a volume flood on StockX driving down profitability. Now that most online marketplaces have reached equilibrium, there's been a return to selling both locally and within niche online communities. By shifting focus to local markets, resellers can leverage direct sales through social media channels, local events, and word-of-mouth, effectively reducing or eliminating these additional costs. This approach not only improves profit margins but also fosters a sense of community among local sneaker enthusiasts.

Building Repeat Customers and Relationships

The importance of establishing repeat customers cannot be overstated in the reselling business. Repeat customers provide a stable revenue stream and can be less costly to serve compared to acquiring new customers. For sneaker resellers, this means developing strong relationships with buyers through excellent customer service, reliability, and authenticity. By creating a trusted brand and customer experience, resellers can encourage loyalty and repeat business, which is essential in a market where trends and preferences constantly evolve.

The Role of Volume Selling

Volume selling appears as a viable strategy for future profitability in sneaker reselling—infamously to the detriment of the community in the [case](#) of [Zadeh Kicks](#). With market saturation and varying degrees of profitability across different sneaker models, focusing on selling a larger volume of sneakers at smaller profit margins per pair can be an effective way to sustain overall profitability.

A Return to Community and Authenticity in Sneaker Reselling

As we look towards the future of sneaker reselling, it's becoming increasingly clear that the landscape is shifting towards a more community-focused and relationship-driven approach. Post-pandemic, the sneaker resell market is evolving from the

frenzied gold rush era dominated by quick buys and sells on platforms like StockX. This period was marked by a surge in resellers seeking fast cash from high-demand releases. The trend of quick-cash reselling is diversifying, with many resellers moving to other markets like electronics and collectibles—and [sneaker retailers are increasingly pushing back against resellers](#). This shift is leaving room for those dedicated to establishing a brand in the sneaker community, prioritizing more than just profit. Resellers are recognizing the value in building a reputation for authenticity, reliability, and a genuine passion for sneakers.

Resellers who are in it for more than profit are likely to see greater sustainability in their ventures. By focusing on building a brand and fostering community relationships, they establish themselves as credible and trusted figures in the sneaker world. This approach may not yield the instant profits of high-volume online reselling, but it offers a more stable and rewarding path in the long term.

Download the [Sole Retriever mobile app](#) to stay updated on sneaker releases dates and more.



Sole Retriever Team

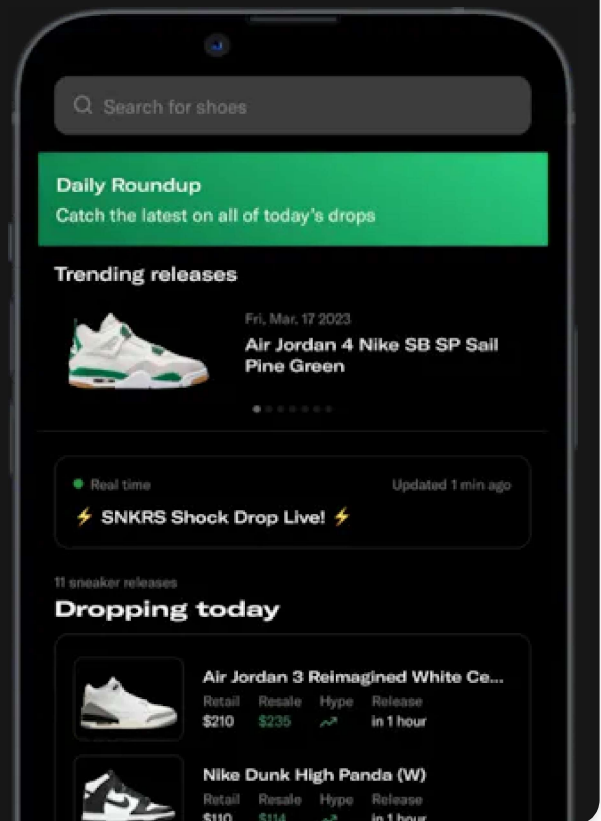
The Sole Retriever team, a dynamic group of streetwear enthusiasts, specializes in providing the latest information on sneaker releases and streetwear trends. Based in the heart of the streetwear community, they leverage their deep understanding of the industry to curate the most sought-after releases. With a focus on accuracy and timeliness, Sole Retriever's team is dedicated to helping sneakerheads and fashion aficionados stay ahead of the curve. Their expertise not only lies in identifying upcoming trends but also in providing valuable insights on how to secure limited edition sneakers. Through their comprehensive online platform, they offer a range of services including release calendars, raffle guides, and real-time updates, making them a go-to resource for the streetwear community. The team's passion for sneakers and fashion is evident in their meticulous approach, ensuring that their followers are always in the know.

Sneaker releases, raffles, and news in real-time.

Enjoy all the latest sneaker raffle and releases, shock drops, release calendar, and exclusive sneaker news in the palm of your hand.

- Autofill for faster raffle entry
- Raffle entry tracking
- Real-time push notifications
- Restocks and AutoCart

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Popular Releases	Popular Models	Release Dates	News	Social
Nike Dunk Low Silver Surfer		2024 Air Jordan	Jordan	X
Nike Kobe 8 Protro Wolf Grey (GS)	Nike Dunk Low	Release Dates	Nike	Instagram
Nike Kobe 8 Protro University Red (GS)	Air Jordan 1 High	2024 Nike Release Dates	New Balance	TikTok
Nike Kobe 8 Protro Lakers Away (GS)	Air Jordan 4	2024 Sneaker Releases	All news	Threads
adidas Stan Smith Brain Dead Clear Brown	New Balance 550	All news		
	adidas Yeezy Boost 350			

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Sole Retriever is the top source for the latest sneaker news, release dates, and more. Get the latest exclusive sneaker news and information, find raffles and releases from around the globe, cop the latest drops at retail, search for any sneaker, and find the best prices!

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